

Chapter 21

Public Education Capital Outlay Act

Part 1

General Provisions

53A-21-101 Title.

This chapter is known as the "Public Education Capital Outlay Act."

Repealed and Re-enacted by Chapter 326, 1996 General Session

53A-21-101.5 Definitions.

As used in this chapter:

- (1) "ADM" or "pupil in average daily membership" is as defined in Section 53A-17a-103.
- (2) "Base tax effort rate" means the average of:
 - (a) the highest combined capital levy rate; and
 - (b) the average combined capital levy rate for the school districts statewide.
- (3) "Combined capital levy rate" means a rate that includes the sum of the following property tax levies:
 - (a)
 - (i) the capital outlay levy authorized in Section 53A-16-107;
 - (ii) the portion of the 10% of basic levy described in Section 53A-17a-145 that is budgeted for debt service or capital outlay;
 - (iii) the debt service levy authorized in Section 11-14-310; and
 - (iv) the voted capital outlay leeway authorized in Section 53A-16-110; or
 - (b)
 - (i) the capital local levy authorized in Section 53A-16-113; and
 - (ii) the debt service levy authorized in Section 11-14-310.
- (4) "Derived net taxable value" means the quotient of:
 - (a) the total property tax collections from April 1 through the following March 31 for a school district for the calendar year preceding the March 31 date; divided by
 - (b) the school district's total tax rate for the calendar year preceding the March 31 referenced in Subsection (4)(a).
- (5) "Highest combined capital levy rate" means the highest combined capital levy rate imposed by a school district within the state for a fiscal year.
- (6) "Property tax base per ADM" means the quotient of:
 - (a) a school district's derived net taxable value; divided by
 - (b) the school district's ADM.
- (7) "Property tax yield per ADM" means:
 - (a) the product of:
 - (i) a school district's derived net taxable value; and
 - (ii) the base tax effort rate; divided by
 - (b) the school district's ADM.
- (8) "Statewide average property tax base per ADM" means the quotient of:
 - (a) the sum of all school districts' derived net taxable value; divided by
 - (b) the sum of all school districts' ADM.

Amended by Chapter 371, 2011 General Session

53A-21-102 Capital outlay programs -- Use of funds.

A school district may only use the money provided under this chapter for school district capital outlay and debt service purposes.

Amended by Chapter 236, 2008 General Session

Part 2
Capital Outlay Foundation Program

53A-21-201 Capital Outlay Foundation Program -- Creation -- Definitions.

- (1) There is created the Capital Outlay Foundation Program to provide capital outlay funding to a school district based on a district's local property tax effort and property tax yield per student compared to a foundation guarantee funding level.
- (2) As used in this part:
 - (a) "Foundation guarantee level per ADM" means a minimum revenue amount per ADM generated by the base tax effort rate, including the following:
 - (i) the revenue generated locally from a school district's combined capital levy rate; and
 - (ii) the revenue allocated to a school district by the State Board of Education in accordance with Section 53A-21-202.
 - (b) "Qualifying school district" means a school district with a property tax yield per ADM less than the foundation guarantee level per ADM.
- (3) "Small school district" means a school district that has fewer than 1,000 pupils in average daily membership.

Amended by Chapter 185, 2010 General Session

53A-21-202 Capital Outlay Foundation Program -- Distribution formulas -- Allocations.

- (1)
 - (a) The State Board of Education shall determine the foundation guarantee level per ADM that fully allocates the funds appropriated to the State Board of Education for distribution under this section.
 - (b) In determining the foundation guarantee level per ADM and a school district's allocation of funds under this part, the State Board of Education shall use data from the fiscal year that is two years prior to the fiscal year the school district receives the allocation, including the:
 - (i) number of pupils in average daily membership;
 - (ii) tax rates; and
 - (iii) derived net taxable value.
- (2) By June 1, a county treasurer shall report to the State Board of Education the actual collections of property taxes in the school districts located within the county treasurer's county for the period beginning April 1 through the following March 31 immediately preceding that June 1.
- (3) If a qualifying school district imposes a combined capital levy rate that is greater than or equal to the base tax effort rate, the State Board of Education shall allocate to the qualifying school district an amount equal to the product of the following:
 - (a) the qualifying school district's ADM; and

- (b) an amount equal to the difference between the following:
 - (i) the foundation guarantee level per ADM, as determined in accordance with Subsection (1); and
 - (ii) the qualifying school district's property tax yield per ADM.
- (4) If a qualifying school district imposes a combined capital levy rate less than the base tax effort rate, the State Board of Education shall allocate to the qualifying school district an amount equal to the product of the following:
 - (a) the qualifying school district's ADM;
 - (b) an amount equal to the difference between the following:
 - (i) the foundation guarantee level per ADM; and
 - (ii) the qualifying school district's property tax yield per ADM; and
 - (c) a percentage equal to:
 - (i) the qualifying school district's combined capital levy rate; divided by
 - (ii) the base tax effort rate.
- (5)
 - (a) The State Board of Education shall allocate:
 - (i) a minimum of \$200,000 to each small school district with a property tax base per ADM less than or equal to the statewide average property tax base per ADM;
 - (ii) a minimum of \$100,000 to each small school district with a property tax base per ADM that is:
 - (A) greater than the statewide average property tax base per ADM; and
 - (B) less than or equal to two times the statewide average property tax base per ADM; and
 - (iii) a minimum of \$50,000 to each small school district with a property tax base per ADM that is:
 - (A) greater than two times the statewide average property tax base per ADM; and
 - (B) less than or equal to five times the statewide average property tax base per ADM.
 - (b) The State Board of Education shall incorporate the minimum allocations described in Subsection (5)(a) in its calculation of the foundation guarantee level per ADM determined in accordance with Subsection (1).

Amended by Chapter 185, 2010 General Session

Part 3

Capital Outlay Enrollment Growth Program

53A-21-301 Capital Outlay Enrollment Growth Program -- Definitions.

- (1) There is created the Capital Outlay Enrollment Growth Program to provide capital outlay funding to school districts experiencing net enrollment increases.
- (2) As used in this part:
 - (a) "Average annual net enrollment increase" means the quotient of:
 - (i)
 - (A) enrollment in the prior fiscal year, based on October 1 enrollment counts; minus
 - (B) enrollment in the year four years prior, based on October 1 enrollment counts; divided by
 - (ii) three.
 - (b) "Eligible district" or "eligible school district" means a school district that:
 - (i) has an average annual net enrollment increase; and

- (ii) has a property tax base per ADM in the year two years prior that is less than two times the statewide average property tax base per ADM in the year two years prior.

Amended by Chapter 185, 2010 General Session

53A-21-302 Capital Outlay Enrollment Growth Program -- Distribution formulas -- Allocations.

- (1) For fiscal years beginning on or after July 1, 2008, the State Board of Education shall annually allocate appropriated funds to eligible school districts in accordance with Subsection (2).
- (2) The State Board of Education shall allocate to an eligible school district an amount equal to the product of:
 - (a) the quotient of:
 - (i) the eligible school district's average annual net enrollment increase; divided by
 - (ii) the sum of the average annual net enrollment increase in all eligible school districts; and
 - (b) the total amount appropriated for the Capital Outlay Enrollment Growth Program in that fiscal year.

Enacted by Chapter 236, 2008 General Session

Part 4
School Building Revolving Account

53A-21-401 School Building Revolving Account -- Access to the account.

- (1)
 - (a) There is created within the Uniform School Fund a restricted account known as the "School Building Revolving Account" to provide short-term help to school districts to meet district needs for school building construction and renovation.
 - (b) The state superintendent of public instruction shall administer the School Building Revolving Account in accordance with rules adopted by the State Board of Education.
- (2) The State Board of Education may not allocate funds from the School Building Revolving Account that exceed a school district's bonding limit minus its outstanding bonds.
- (3) In order to receive money from the School Building Revolving Account, a school district shall:
 - (a) levy a combined capital levy rate of at least .0024;
 - (b) contract with the state superintendent of public instruction to repay the money, with interest at a rate established by the state superintendent, within five years of receipt, using future state capital outlay allocations, local revenues, or both;
 - (c) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual loan repayments, unless the state superintendent of public instruction alters the payment schedule to improve a hardship situation; and
 - (d) meet any other condition established by the State Board of Education pertinent to the loan.
- (4)
 - (a) The state superintendent shall establish a committee, including representatives from state and local education entities, to:
 - (i) review requests by school districts for loans under this section; and
 - (ii) make recommendations regarding approval or disapproval of the loan applications to the state superintendent.

- (b) If the committee recommends approval of a loan application under Subsection (4)(a)(ii), the committee's recommendation shall include:
- (i) the recommended amount of the loan;
 - (ii) the payback schedule; and
 - (iii) the interest rate to be charged.

Amended by Chapter 30, 2011 General Session

Amended by Chapter 303, 2011 General Session